

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 SSO-00 NSCE-00 INRE-00 SPC-03 AID-20

EB-11 NSC-07 RSC-01 CIEP-02 TRSE-00 SS-20 STR-08

OMB-01 CEA-02 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00

XMB-07 OPIC-12 LAB-06 SIL-01 L-03 H-03 IO-14 PA-04

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C O R R E C T E D C O P Y - T E X T X

DEPARTMENT PASS TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS

E.O. 11652: N/A

TAGS: EGEN, EC, IA-ECOSOC

SUBJ: IA-ECOSOC 9TH ANNUAL MEETING: ASSISTANT SECRETARY

KUBISCH'S REMARKS ON MEXICO CITY MEETING OF FOREIGN

MINISTERS - THIRD SESSION

REF: QUITO 1664

1. IN THIRD CLOSED SESSION OF IA-ECOSOC COORDINATING COMMITTEE MEETING FROM 10:00 A.M. TO 1:00 P.M., WEDNESDAY, MARCH 13, ASSISTANT SECRETARY JACK B. KUBISCH CONTINUED TO RESPOND TO QUESTIONS AND EXCHANGE VIEWS WITH HEADS OF DELEGATIONS. AT END OF SESSION, IA-ECOSOC PRESIDENT MONCAYO EXPRESSED APPRECIATION ON BEHALF OF ALL DELEGATES FOR THE FULL AND FRANK EXCHANGE, AND ASKED THAT REFERENCE TO THE DIALOGUE BE INCLUDED IN THE FINAL REPORT OF THE MEETING AS EVIDENCE THAT THE "SPIRIT OF TLATELOLCO" WAS ALSO RELEVANT TO THE WORK OF IA-
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ECOSOC. (THERE FOLLOWS VERY BRIEF SUMMARY HIGHLIGHTS OF THE

DIALOGUE, WITH THE U.S. DELEGATION TO BRING FULL REPORTS OF THE SECOND AND THIRD SESSIONS WITH IT ON RETURN TO WASHINGTON.)

2. MEXICAN DELEGATE BETETA ASKED IF THERE WAS A SUBSTITUTE PROGRAM UNDERWAY FOR THE ALLIANCE FOR PROGRESS? HE EXPRESSED SATISFACTION THAT THE SCCN WOULD BE STRENGTHENED AND THAT THE U.S. WOULD SEEK TO CONSULT, WHERE FEASIBLE, PRIOR TO TAKING ACTIONS THAT AFFECT OTHER COUNTRIES. HE REQUESTED A FURTHER DEFINITION OF RECIPROCITY BY THE U.S. BETETA FOUND THE COMPETITIVE NEED LIMITATIONS OF GSP TO DISCRIMINATE AGAINST LATIN AMERICAN COUNTRIES WHICH ALREADY EXPORT TO THE U.S. WHILE UNDER COMPETITIVE NEED LIMITATIONS NEW LDC EXPORTERS FROM OTHER GEOGRAPHIC AREAS MAY RACE INTO U.S. MARKET.

3. MR. KUBISCH REPLIED THAT THE ALLIANCE FOR PROGRESS IS BASED ON A NUMBER OF IMPORTANT CONCEPTS, MANY OF WHICH PRE-DATE PUNTA DEL ESTE IN 1961, SUCH AS THE MODERNIZATION AND DEVELOPMENT OF THE LDC'S. THESE WERE CONCEPTS OF MULTI-LATERAL COOPERATION WHICH HAVE BEEN CARRIED FORWARD BY ALL U.S. PRESIDENTS IN RECENT YEARS. THE ALLIANCE FOR PROGRESS WAS NOT SIMPLY A U.S. PROGRAM; IT INVOLVED ALL THE COUNTRIES OF THE HEMISPHERE. WHILE THE TERM HAS FALLEN INTO THE BACKGROUND, AND WE HAVE NO STRONGLY HELD VIEW AS TO WHETHER IT SHOULD CONTINUE TO BE USED OR NOT THE MULTILATEAL CONCEPTS ARE SOUND.

4. ON THE SCCN, MR. KUBISCH SAID THE U.S. WAS DETERMINED TO IMPROVE ITS CONSULTATION PROCESS AND DO ITS VERY BEST. IT WILL NOT BE POSSIBLE TO GUARANTEE CONSULTATIONS ON EVERY POINT, HOWEVER, NOR CAN THE PROCESS OF CONSULTATION INVARIABLY PRECLUDE THE U.S. FROM TAKING UNILATERAL ACTIONS AFFECTING LATIN AMERICAN EXPORTS TO THE U.S. SHOULD URGENT AND OVERRIDING REASONS ARISE.

5. ON GSP, MR. KUBISCH SAID THE INTENT WAS TO GIVE PREFERENCES WHERE THEY WERE NEEDED, AND IF A LARGE VOLUME OF TRADE ALREADY EXISTED, THE PRESUMPTION WAS THEY WERE NOT NEEDED. OUR DELEGATION TO THE FOLLOWING SCCN MEETING WILL BE PREPARED TO DISCUSS THIS IN DETAIL.

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6. ON RECIPROCITY, MR. KUBISCH SAID THE U.S. DID NOT INSIST IN PRINCIPLE ON 50-50 RECIPROCITY. WE RECOGNIZE THE U.S.'S SIZE, WEALTH, AND ECONOMIC STRENGTH, AND GLOBAL INTERESTS AND RESPONSIBILITIES. RECIPROCITY MEANS AN EFFORT ON BOTH SIDES TO ADJUST, REQUIRING MUTUALITY AND A RECOGNITION OF THE INTERESTS OF ALL PARTICIPANTS.

7. BOLIVIAN DELEGATE OTERO ASKED THAT CONSULTATIONS IN THE SCCN ALSO INCLUDE SALES OF STRATEGIC MATERIALS THAT AFFECT WORLD COMMODITY PRICES AND CONSEQUENTLY THE DOMESTIC ECONOMIES OF RAW MATERIAL PRODUCERS. MR. KUBISCH INDICATED THE U.S. WAS KEENLY AWARE OF BOLIVIA'S INTEREST IN STOCKPILE DISPOSALS, AND PROCEEDED WITH GREAT CAUTION IN DISPOSING OF NO LONGER REQUIRED STRATEGIC MATERIALS. THE U.S. WOULD BE WILLING TO CONSIDER CONSULTATION ON THIS TYPE OF PROBLEM IN THE SCCN.

8. PANAMANIAN AMBASSADOR PITY ASKED IF THE U.S. WOULD CONSIDER CHANGING ITS SYSTEM OF ONLY CONTRIBUTING ON A MATCHING BASIS TO THE OAS BUDGET? SOME COUNTRIES SUCH AS PANAMA HAD DIFFICULTIES IN MAKING THEIR CONTRIBUTIONS ON A TIMELY BASIS WHICH, IN TURN, SLOWED DOWN THE RECEIPT OF THE U.S. CONTRIBUTION WITH SUBSEQUENT ADVERSE EFFECTS ON OAS PROGRAMS. MR. KUBISCH INDICATED WE WOULD BE WILLING TO REVIEW OUR PRESENT SYSTEM OF CONTRIBUTIONS AND CONSIDER ANY PROPOSALS FOR REVISION.

9. ARGENTINE OAS AMBASSADOR QUIJANO ASKED FOR A FURTHER ELABORATION OF THE CONCEPT OF THE US-LA SPECIAL RELATIONSHIP, IN A GLOBAL CONTEXT, ESPECIALLY IN VIEW OF THE RELATIONS THAT LATIN AMERICANS HAD WITH OTHER LDC'S AND WITH THE NON-ALIGNED. HOW DO YOU CREATE THIS NEW RELATIONSHIP AND WHAT DOES IT MEAN?

10. MR. KUBISCH SAID THAT THIS WAS A TOPIC BETTER LEFT FOR SECRETARY KISSINGER, WHO WOULD NO DOUBT BE WILLING TO ADDRESS IT IF DESIRED, AT THE NEXT MEETING OF FOREIGN MINISTERS IN WASHINGTON. THE U.S. IS A
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